

# **FFIEC**

## **EXAMINER EDUCATION**

Sixth Edition – February 2004



[www.ffiec.gov](http://www.ffiec.gov)

## **FEDERAL FINANCIAL INSTITUTIONS REGULATORY AGENCIES**

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# Introduction

This catalogue contains brief descriptions of the examiner training programs offered by the FFIEC and the five federal financial institution regulatory agencies which comprise it.

The first section presents detailed information about FFIEC programs. The second section presents summary information about the FFIEC member-agency training programs available to other agencies.

The FFIEC and Council-member agency training calendars are planned in response to the requests received, and limited capacity exists to accommodate additional training requests received during the training year.

The FFIEC and each of its member agencies plan an annual training calendar in the summer to determine the type and frequency of courses to be made available during the following year. State regulatory agencies are encouraged to forward estimates of their training needs in the spring and summer for the upcoming year.

Each regulatory agency has summarized its registration policy and tuition rates and has specified its policies on sponsorship and other financial assistance to state regulatory agencies. To obtain more information about the courses described in this catalogue, please contact the sponsoring agency.

Visit the Examiner Education Office at  
[www.ffiec.gov](http://www.ffiec.gov)

Follow the Examiner Education link. The site contains the Course Catalogue, current calendar of course offerings, and FFIEC Symposium white papers.

## Letter from the Manager

The Federal Financial Institutions Examination Council was established pursuant to title X of Public Law 95-630, the Financial Institutions Regulatory and Interest Rate Control Act of 1978 (FIRA). The purpose of title X was to create an interagency body empowered to “prescribe uniform principles and standards for the federal examination of financial institutions...and make recommendations to promote uniformity in the supervision of these financial institutions.” As a part of its mandate, the Council conducts training programs for federal and state examiners.

The goals of the training program are –

- to promote training efficiency by encouraging consistency of examiner education through joint sponsorship of interagency training;
- to develop, maintain and deliver timely, state-of-the-art interagency training;
- to serve as a clearinghouse of training opportunities offered by the member agencies; and
- to provide support to the initiatives of the Council and its task forces.

Since its inception in 1979, the Council has provided training for over 50,000 participants. All programs are offered under the auspices of the Task Force on Examiner Education, whose principal members are officers of the five Council-member agencies who oversee examiner training. Programs are expressly designed to meet the needs of examiners.

The training office relies primarily on the private sector for instructors. Bankers, attorneys, accountants, and consultants bring the expertise of specialists to the classroom. This provides a source of instructors that supplement those found in agency commissioning training. Agency staffs provide lectures on regulatory topics.

The training office stands ready to provide “spot” seminars or conferences which are needed to prepare examiners for new regulatory initiatives. When new interagency regulatory announcements are made, the Council training office can respond quickly to the training need.

In 1999, the FFIEC developed a method of delivering training or information called the “FFIEC InfoBase.” This technology makes it possible to produce CD-ROMs that are compatible with the computer systems in the member agencies, including examiners’ laptops. This provides the Council with the means to disseminate new interagency policies, procedures, and training to the examiners of the member agencies and to respond quickly, thus reducing the lag between policy announcements and examiners’ receipt of additional information and training.

Beginning in 2002 and continued in 2003, the Examiner Education Office began providing a supplemental CD to all attendees as a value-added tool to their training. The CD contains presenters’ materials, pertinent regulatory guidance, and other relevant industry issuances. Among other features, the CD includes a search function which facilitates finding specific information. An internet address: [ffiecfeedback@fdic.gov](mailto:ffiecfeedback@fdic.gov) has been set up to provide examiners an opportunity to respond to questionnaires and to provide a direct link for suggestions.

Also in 2002, FFIEC began a relationship with CSBS to provide an on-line distance learning Fraud Identification training course. By mid 2003, expanded on-line offerings will be available to the FFIEC member agencies.

Karen K. Smith  
Manager of Examiner Education  
May 12, 2003

## General Information

### Who May Attend?

Programs are open to the staffs of federal and state financial institution regulatory agencies. Staff members from other regulatory agencies will be accommodated if space is available. The *Basic International Banking Self-Study* is available for sale to the public.

### Registration

Council-member agency staff registers through their agency's training headquarters. State financial institution regulatory staff should attempt to register through a Council-member agency (some provide partial financial sponsorship) or through their association of state supervisors. State bank examiners may also register directly with the FFIEC. Foreign applicants should look for registration information in the Federal Reserve System section of this catalogue.

It is suggested that state agencies submit their training requests during the spring and summer for the following calendar year. This will be helpful in planning the number of sessions for each program. Otherwise, availability may be limited.

### Tuition

Tuition for 2004 will vary by class size, amount of course materials, number of outside instructors, etc. and may vary from 2003 rates. The tuition rates for non-member agency participants are available on the FFIEC website: [www.ffiec.gov](http://www.ffiec.gov).

### Training Facility

The FFIEC leases offices, classrooms and the auditorium from the FDIC at the L. William Seidman Center, 3501 Fairfax Drive, Room 3086, Arlington, Virginia 22226-3550. Phone: (703) 516-5588, Fax: (703) 516-5487.

### Lodging

Hotel accommodations for most participants can be arranged in the L. William Seidman Residence Facility, 1001 N. Monroe Street, Arlington, Virginia 22201 (703) 516-4630, adjacent to the training center. Reservations should be made through member agency training offices. The FFIEC will make lodging arrangements at the Residence Facility for individuals registering for programs directly with the FFIEC.

### Training Memoranda and Pre-course Study Materials

The registering member agency will send a training memorandum and pre-course study materials, if applicable, to each of its participants approximately 30 days prior to the session date. The memorandum will give the location and starting and ending times of the program.

For courses that require pre-course preparation, the FFIEC will send the pre-course materials to member agency training offices for distribution to each participant.

### Subprime Lending CD-Rom

This compact disc is available through the member agencies. Please inquire at the office of your agency's training coordinator. The CD contains 500 pages of reference materials and 7 short slide presentations. This program was updated in 2002.

### Privacy CD-Rom

This compact disc is available through the member agencies. The CD contains a series of reference materials, examination procedures, and 12 slide presentations on the GLBA Financial Privacy Regulations.

## General Information (continued)

### Dress Code

Participants may wear comfortable attire appropriate for a business environment for programs conducted in the L. William Seidman Center, Arlington, Virginia. Coat and tie are not required. However, tennis shoes, t-shirts, blue jeans, and shorts should not be worn.

### Course Prerequisites

Participants should meet all course or conference prerequisites as stated in the course description. When in doubt, call the registering agency's training headquarters or the program administrator to determine eligibility. FFIEC program administrators and the programs for which they are responsible are listed below.

## Senior Program Administrators

### Randy Berner

[Rberner@fdic.gov](mailto:Rberner@fdic.gov)

(703) 516-5592

*Advanced Commercial Credit Analysis*  
*Asset Management Forum*  
*Beyond Advanced Credit Analysis*  
*Cash Flow Construction & Analysis*  
*Community Financial Institutions*  
*Lending Forum*  
*Payment Systems Risk*  
*Real Estate Appraisal Review School*  
*Supervisory Update & Emerging Issues*

### Randall D. Howe

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*Basic International Banking Self-Study*  
*Capital Markets Conference*  
*Capital Markets Specialists*  
*Information Technology Conference*  
*Information Technology Symposium*  
*International Banking Conference*  
*International Banking School*  
*FFIEC Infobase and Training CDs*  
*Information Technology Examination*  
*Handbook Revisions*

### Paul T. Sanford

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*Anti-Money Laundering Workshop*  
*Financial Crimes Seminar*  
*Fraud Investigations Symposium*  
*Instructor Training School*  
*Lead Investigations Specialists Workshop*  
*Testifying School*  
*E-Learning*  
*REARS Online & Self-Study*

### Questions?

For more information: call, write or e-mail.

#### **FFIEC Examiner Education**

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# Advanced Commercial Credit Analysis



**NEW**

## Summary

*Advanced Commercial Credit Analysis* is intended for examiners of any tenure who have experience reviewing commercial loans and who have a solid comprehension of sources and uses of cash. This course also compliments the *Cash Flow Construction and Analysis from Federal Tax Returns*; however, neither course is a prerequisite for the other. The principal objective of this course is to provide high level of skill development for rapidly evaluating the true causes of present and prospective repayment difficulties of commercial borrowers. In addition, the course covers proper loan structuring to ensure the most favorable conditions for borrower repayment.

## Objectives

At the completion of this course, a participant should be able to:

- Prepare a quick assessment (10-15 minutes) to identify the cash flow issues of a particular credit relationship.
- Ask 15-20 key questions to determine the financing needs and lending risks.
- Separate out current vs. long term financing causes through assessing the relationship between liquidity and profitability.
- Establish an approximate sustainable growth rate based on present Balance Sheet and Income Statement information.

## Target Audience

*Advanced Commercial Credit Analysis* is designed for all safety and soundness examiners. However, due to the smaller audience size and the intense pace of the session, attendees must have experience reviewing commercial loans and be able to apply cash flow concepts.

## Length

*Advanced Commercial Credit Analysis* is 3 days. It begins on Tuesday at 8:00am and ends on Thursday at 5:00pm. The normal class day is eight hours.

## Requirements

Participants must have a solid understanding of sources and uses of cash, must have completed the pre-course assignments, and must have reviewed the pre-course explanation packet that will be sent prior to the session.

Participants should bring the following items to this course:

- A copy of the completed pre-course assignment
- Pre-course explanation packet (which will be sent after the completed pre-class assignment is submitted)
- A basic calculator (financial calculator preferred, but not necessary)

## Pre-Course Study

This course requires all participants to complete a pre-class assignment. Each participant's training department will email the pre-class documents to the participant approximately 6 weeks prior to a session. The pre-class assignment is a 12-page packet that requires students to answer questions and perform calculations. The completed document must be completed and returned to the FFIEC program administrator by the established due date (approximately 3 weeks prior to each session). **We anticipate that completion of the pre-class assignment could take up to 4 hours.** The FFIEC program administrator will forward the completed pre-class assignments to the course instructor for review. Additionally, the FFIEC program administrator will email an explanation packet to each participant once the completed packet is received. **Reviewing the explanation packet will take additional time depending on the participant's comfort with the pre-course exercise topics.**

## Topics

Topics include:

- Relationship of liquidity and profitability.
- Sustainable growth and the cash flow implications.
- Loan structuring.
- Credit relationship strategies.

**Note: While the Cash Flow Construction and Analysis from Federal Tax Returns course provides participants with the skills to construct cash flow statement from individual, Sub S Corporations, and partnership returns, the Advanced Credit Analysis Course develops cash flow analysis and loan structuring skills for evaluating commercial credit relationships.**

# Anti-Money Laundering Workshop

## Summary

The *Anti-Money Laundering Workshop* is offered to examiners both as an agency-only school and through the FFIEC as an interagency school. It was developed by the FFIEC member agencies.

## Objectives

At the conclusion of this school, examiners should be able to:

- Recognize potential money laundering risks confronting financial institutions
- Assess the adequacy of financial institution policies, procedures, and practices in complying with Anti-Money Laundering/ Bank Secrecy Act Programs
- Maintain up-to-date knowledge of regulations and significant trends related to anti-money laundering through contacts provided

## Target Audience

The *Anti-Money Laundering Workshop* is designed for participants with examination knowledge of the latest Bank Secrecy Act regulations and experience in reviewing a financial institution's BSA program for compliance. A minimum requirement is to be familiar with Anti-Money Laundering procedures, but subject matter experts should NOT attend.

## Length

The 3½-day classroom portion includes lecture and interactive case studies. The CD contains reference material and will be distributed at the conclusion of the class. The normal class day is eight hours.

## Pre-Course Study

The examiner's Washington training office will mail pre-course reading material to be completed before attending. This will be mailed approximately four weeks in advance of the session. The pre-course work should take approximately 4 hours.

## Course Modules

Module 1 - Introduction and Overview

Module 2 - Customer Due Diligence/ Customer Identification Program

Module 3 - Wire Transfers

Module 4 - Foreign Correspondent Banking

Module 5 - Private Banking

Module 6 - Nonbank Financial Institutions

Module 7 - The Office of Foreign Assets Control (OFAC)

Module 8 - Suspicious Activity Reporting

Module 9 - Examinations

Module 10 - Management Information Systems

Module 11 - Anti-Terrorist Financing (FBI)

Module 12 - Utility of SAR Data for Investigations

# Asset Management Forum

## Summary

The *Asset Management Forum* is an annual event designed to provide those examiners responsible for the supervision of trust and asset management activities with insight and information relating to developments in this industry. A major emphasis is on identifying and discussion of existing and emerging risks. The event covers topics and issues of interest to all trust and asset management examiners as well as those persons responsible for the incorporation of supervision of these activities into the overall assessment of a financial institution. This includes such diverse items as legislative and other regulatory changes, technological advances, new product and service developments, and operational controls and audits. Portions of the forum may be divided into break-out sessions in order to allow attendees options to better focus on their specific needs. Recognized industry leaders make the presentations, supported by senior regulatory staffers involved in trust and asset management functions. Topics vary from year-to-year based on the needs expressed by examiners and on industry and regulatory changes.

## Objectives

At the completion of this forum, an attendee will have current, topical information that will be immediately applicable to the examination and risk assessment of trust and asset management activities.

## Target Audience

The conference is intended for trust and asset management examiners with a good working knowledge of all aspects of the supervisory process for these activities. Those with responsibility for incorporating risk from these activities into overall supervisory plans and risk assessments for institutions also benefit from the curriculum.

## Length

The length of the *Asset Management Forum* may vary from year to year but is usually three days. The event is often followed by 1 - 1½ days of separate regulatory agency breakouts. The normal class day is eight hours.

## Requirements

Individuals who attend this forum should possess basic trust examination education and / or experience.

## Topics

The forum is designed to provide insight and information to trust and asset management examiners by addressing current and emerging issues in this area. The agenda for each year's event will be available approximately 45 days prior to the event. Topics at prior sessions included:

- ◆ *Pitfalls in Trust and Asset Administration*
- ◆ *Discovering Operational Deficiencies*
- ◆ *Emerging Investment Products and Services*
- ◆ *Fiduciary Risk Management Issues*
- ◆ *Internal Controls and Audits*
- ◆ *Technology Impact on Fiduciary Service Providers*
- ◆ *Legislation Update including SEC and DOL*
- ◆ *Fiduciary Litigation Update*
- ◆ *Alternative Investments*

# Beyond Advanced Credit Analysis

**NEW**

## Summary

*Beyond Advanced Credit Analysis* is for examiners with high levels of exposure to commercial lending, or who attended one of the three 2003 CFLIF sessions or an equivalent cash flow course.

The objective of the course is to take credit and cash flow skills to a significant next level for senior and experienced bank examiners. The course updates important lessons learned in recent times, presents latest tools including realistic debt capacity measures, clarifies appropriate uses (and common misuses) of the several cash flow measurements, addresses problems missed in recent years (ranging from community bank credits to Enron) and presents some “bulls-eye” solutions to identify problems well ahead of industry norms, empowers examiners to successfully navigate prevalent cash flow traps, and presents models for getting behind the numbers and capturing the essence of the credit situation in a holistic and highly efficient manner.

## Objectives

At the completion of this course, a participant should be able to:

- Clearly understand appropriate uses of a range of cash flow measurements, including EBITDA, EBIT, Free Cash Flow, NOPAT and others, to identify the appropriate cash flow measurement for the situation and to recognize common misuses that may lead to credit problems.
- Go well beyond analysis of operating cash flow and traditional cash flow “drivers” to assess the impact of pension accounting, aggressive revenue recognition, expense deferrals, deferred taxes, and conventions employed in recent times to disguise problems. Examiners will identify potential problems even when companies show positive earnings and positive operating cash flow.
- Broaden recognition of cash flow early warning signals to identify potential problems that have been missed by the industry in recent years.
- Identify key lessons learned in economic cycles, and draw on the best statistical predictors of resilience through the cycle.
- Recognize and successfully navigate through cash flow traps that bankers often “fall in to.”

- Implement new models for getting behind the numbers, identifying repayment sources with greater precision, and capturing the essence of the credit situation in a highly efficient manner.
- Apply latest debt capacity tools, including a cash flow test to assess “evergreen” revolvers.
- Identify industry excesses, such as the recent “enterprise value” loans and highly leveraged transactions, and employ a model to realistically assess these and other future industry excesses.

## Target Audience

This is a high level program that presupposes knowledge of cash flow derivation from financial statements. The target audience should be carefully selected based upon their existing skills (lengthy tenure, high levels of exposure to commercial lending, or have attended one of the three 2003 CFLIF sessions, or equivalent).

## Length

*Beyond Advanced Credit Analysis* is a 4 ½ day session beginning at 8:30 a.m. on Monday and ending at 12:00 p.m. on Friday.

## Requirements

**Attendees should bring a calculator**

## Pre-Course Study

The pre-class assignment associated with this course is expected to take up to **6 hours** to complete. The pre-class assignment will be sent to each participant approximately 6 weeks prior to the session.

## Topics

Topics include:

- A holistic approach, getting behind the numbers and capturing the essence of the credit in a highly efficient manner.
- New tools for analyzing debt capacity.
- Clarity with respect to the several cash flow measurements –uses and misuses.
- Identifying tactics borrowers have used to successfully hide problems.
- Identifying non-cash in earnings.
- Sorting through accounting conventions.
- Broadening recognition of warning signs.
- Navigating through cash flow traps.
- Application of lessons learned in cycles.
- Helping the industry avoid excess.

# Capital Markets Conference

## Summary

The *Capital Markets Conference* is intended for those examiners who must integrate the risks inherent in capital markets activities into the overall risk profile of an institution during an examination or review of the institution. Examiners-in-charge and review examiners who need to develop greater familiarity with capital market products, risks, and issues are examples of the intended audience for this conference.

## Objectives

At the completion of this course, a participant should be able to:

- identify the characteristics, uses, and risks of capital markets activities currently in widespread use;
- analyze the impact on individual financial institutions of accounting rules and capital requirements;
- articulate earnings and market risk exposure for interest rate risk positions;
- discuss key elements in interest rate risk models;
- discuss liquidity;
- describe the fundamental principles of hedging;
- describe recent regulatory and accounting issues with securitization; and
- address issues associated with alternative funding sources.

## Target Audience

The *Capital Markets Conference* is designed for "seasoned" examiners, examiners-in-charge, review examiners, and surveillance examiners who need to develop more knowledge in the capital markets area. Participants should have basic skills in evaluating asset/liability management techniques. **Capital market specialists and examiners who have had extensive advanced capital markets training should not attend this conference.**

## Length

The *Capital Markets Conference* is 3½-days. It begins on Monday at 9:00 a.m. and ends on Thursday at 12:00 noon. The normal conference day is eight hours of lectures and discussions. The normal class day is eight hours.

## Requirements

**Attendees should bring a calculator capable of solving present value problems.**

## Topics

Topics are likely to change in order to address the most current issues in the marketplace. The following topics and their related accounting issues are likely to be addressed:

- ♦ *Measuring and Managing Interest Rate Risk*
- ♦ *Asset-backed Securities - Credit, Interest Rate, Market, Liquidity Risks*
- ♦ *Term Structure of Interest Rates*
- ♦ *Uses of Futures and Options*
- ♦ *Interagency Policy Statements*
- ♦ *Recent Market Developments/Products*
- ♦ *Accounting for Capital Market Products*
- ♦ *Assessment and Review of Risk Models*
- ♦ *Funding/Liquidity Issues*

# Capital Markets Specialists Conference

**NEW**

## Summary

The *Capital Markets Specialists Conference* is intended for those examiners who specialize in capital markets examinations activities at financial institutions and routinely assess these inherent risks in conjunction with the overall risk profile of an institution during an examination or review of the institution. Capital Markets Specialists and Review Examiners that review complex capital market products, risks, and issues are examples of the intended audience for this conference.

## Objectives

After attending this conference, attendees will be updated on current issues relevant to capital markets and regulatory issues. Attendees should gain increased awareness of financial instruments used in the markets and enhanced methods to evaluate the inherent risks that these instruments may possess.

At the completion of this course, a participant should be able to:

- identify the risks, benefits, advantages and disadvantages of capital markets instruments;
- analyze the impact of accounting rules and capital requirements on financial institutions;
- discuss key elements related to interest rate risk models;
- discuss and describe hedging activity; and
- analyze risks associated with alternative funding sources.

## Target Audience

The *Capital Markets Specialists Conference* is designed for examiners, review examiners, and surveillance examiners who need to develop more in-depth specialized knowledge in the capital markets area. Participants should be capital markets specialists and examiners who have had advanced capital markets training.

## Length

The *Capital Markets Specialists Conference* is 3 days. It begins on Monday at 9:00am and ends on Wednesday at 5:00pm. A student should plan on agency break outs to be determined by each agency the balance of the week. The normal conference day is eight hours of lectures and discussions.

## Topics

Topics will change in order to address the most current issues in the marketplace. The following topics and their related accounting issues are likely to be addressed:

- ♦ *Asset/Liability Management*
- ♦ *Credit, Interest Rate, Market, and Liquidity Risks*
- ♦ *Fixed income market developments - economic environment*
- ♦ *Structured Financing*
- ♦ *Asset Based Structures*
- ♦ *Basel 2 Update*
- ♦ *Futures and Options*
- ♦ *Interagency Policy Statements*
- ♦ *Market Developments and Products*
- ♦ *Regulatory and Accounting Issues*
- ♦ *Risk Modeling and Simulations*
- ♦ *Credit Rating Strengths and Weaknesses*
- ♦ *Funding/Liquidity Issues*

# Cash Flow Construction and Analysis from Federal Tax Returns

## Summary

*Cash Flow Construction and Analysis from Federal Tax Returns* is designed to provide additional analytical skills that are considered useful to the field examiner in performing a credit review and analysis. The course goal is to enable an examiner to use a Federal tax return to generate an accurate cash flow statement for an individual or business entity, to be able to defend its construction, and to use the results in the credit analysis process.

The program uses a three-step approach to achieve this conference goal. The participant is first provided with an overview of the current tax laws and the reporting instructions for specific income and expenses, by line item, on the associated Federal tax forms. Using the pre-designed worksheets provided, the examiner will then transfer the tax return income and expense line items to a cash flow statement. By combining both the business information received from the tax return and the cash flow statement, the examiner will then thoroughly analyze the repayment capacity of the business entity.

Additionally, the tax cash flow statement may be used to evaluate the quality and accuracy of the borrower-prepared profit and loss statements and internal bank-prepared cash flow statements and projections.

Specific consideration has been given to increasing the participants' credit analysis capabilities, while minimizing the time required for the credit review process. This is accomplished in part by providing the participant with a packet of job aides and worksheets to simplify the conversion of some of the more complicated tax returns into useful cash flow information.

**Note:** The *Cash Flow Construction and Analysis from Federal Tax Returns* course (CFC) does not overlap with *Advanced Credit Analysis Course* (ACA). While the CFC provides participants with the skills to construct cash flow statements from individual, Sub S Corporations, and partnership returns, the (ACA) develops cash flow analysis and loan structuring skills for evaluating commercial credit relationships.

## Objectives

At the completion of the conference, a participant should be able to:

- explain how using the taxable AGI as a starting point for cash flow worksheets can lead to false cash flow calculations;
- quickly review and critique a bank's cash flow analysis documentation to determine validity;
- identify the interrelationships of a borrower's various financial activities as presented on a return;
- quickly find information vital to a cash flow analysis within the tax return;
- convert items of income or loss per the return to their actual cash flow equivalent;
- analyze pass-through entity return information: partnerships, S corporations, estates, trusts, and REMICs, and explain the effects on a borrower's cash flow; and
- use a series of pre-prepared conversion worksheets to quickly convert tax 2000 return line items into an accurate cash flow statement.

## Target Audience

This program is intended for commissioned examiners who regularly participate in the commercial credit review process of the financial institution safety and soundness examination.

## Length

*Cash Flow Construction and Analysis from Federal Tax Returns* is a 2½-day conference. It begins at 8:00 a.m. the first day and ends at 10:30 a.m. the third day. The normal class day is eight hours.

## Pre-Course Study

The examiner's Washington training office will mail a pre-course reading assignment to be completed before attendance. This will be mailed approximately four weeks in advance of the session. This assignment requires about 4 hours to complete.

**\*\*\* Attendees should bring a calculator.**

# Community Financial Institutions Lending Forum

## Summary

The *Community Financial Institutions Lending Forum* addresses credit analysis issues in financial institutions whose asset size is under \$1 billion. The training is intended to sharpen and augment existing credit review skills. Particular focus will be on cash flow determination and repayment capacity. The session will also incorporate how changes in economic conditions would affect borrowers' financial condition.

## Objectives

At the completion of this course, a participant should be able to:

- gain an effective approach for evaluating credits;
- discuss current economic conditions and its impact on borrowers;
- understand the impact of accounting rules and capital requirements on individual financial institutions;
- enhance knowledge of asset based lending practices and other specialized credits; and
- solidify understanding of free cash flows.

## Target Audience

The *Community Financial Institutions Lending Forum* conference is designed for commissioned examiners. Attendees should regularly be involved in examinations of community financial institutions with under \$1 billion in total assets.

## Length

The *Community Financial Institutions Lending Forum* lasts 3½-days. It begins on Monday at 9:00 a.m. and ends on Thursday at 12:00 noon. The normal class day is eight hours.

## Pre-Course Study

The attendee's Washington training office will mail a 4 hour pre-course reading assignment to be completed before attendance. This will be mailed approximately four weeks in advance of the session.

## Requirements

Attendees should bring a calculator capable of solving present and future value problems.

## Topics

The topics covered will likely include:

- ♦ *An Overview of Allowance for Loan and Lease Losses*
- ♦ *Problem Credit Characteristics and Identification Techniques*
- ♦ *Pertinent Interagency Policy Statements*
- ♦ *Cash Flow Analysis and Case Studies*
- ♦ *Fundamentals of Asset Based Lending*
- ♦ *Current Economic Conditions and Implications On Repayment Capacity*

# Financial Crimes Seminar

## Summary

*Financial Crimes Seminar* provides commissioned examiners with a higher level of knowledge of fraudulent schemes and insider abuses. The seminar also provides an overview of how a fraud case is investigated and documented

## Objectives

At the completion of the course, a participant should be able to:

- utilize advanced fraud investigation techniques, including tracing financial transactions with the use of a case study;
- recognize public company financial statement misrepresentations;
- use examination techniques designed to ferret out misrepresentations and distortions in financial statements;
- understand and be able to recognize subtle indicia of money laundering;
- recognize new types of white collar crime;
- examine in-depth for adequacy of internal routines and controls to prevent fraud; and
- have the opportunity to question staff who has been involved in investigating fraud cases through a panel discussion.

## Target Audience

Each participant should be a commissioned safety and soundness examiner.

## Length

*Financial Crimes Seminar* is a 3½-day conference. Three quarters of a day is devoted to intensive financial analysis for fraud. One half day is devoted to one case study discussion. The seminar begins on Monday at 9:00 a.m. and ends on Thursday at 12:00 noon. The normal class day is eight hours.

## Pre-Course Study

The attendee's Washington training office will mail a pre-course reading assignment to be completed before attendance. This will be mailed approximately four weeks in advance of the session. It requires 1 – 2 hours to complete.

## Topics

The seminar is largely comprised of case studies drawn from recent SEC accounting enforcement cases and U.S. Department of Justice criminal cases. Instructors will include staff from the FBI, the SEC, FinCen, Department of Justice, U.S. Customs, and the various regulatory agencies for money laundering, and an accountant/consultant for the financial statement analysis section. A fraud detection case study from a member agency is included.

Other topics may include:

- ♦ *Identity Fraud and Other Emerging Crime Areas*
- ♦ *Anti Money Laundering Detection*
- ♦ *Evidence Collection & Documentation*
- ♦ *Public Company Financial Statement Fraud*
- ♦ *Investigative Techniques and Reporting Methodologies*
- ♦ *Other Topics of Current Interest*

# Fraud Identification Training

## On-Line Course

### Summary

This course is offered through a relationship with the Conference of State Banking Supervisors and eCollege.

*Fraud Identification Training* provides examiner staff with information on financial institution practices/procedures that are considered red flags, potential examination procedures that would identify such weaknesses, and the corrective measures needed to improve them.

### Objectives

At the completion of the course, a participant should be able to:

- identify weaknesses in internal controls that may lead to fraud;
- recognize "red flag" issues that may require additional examination procedures;
- identify measures that could correct internal control weaknesses noted;
- recognize the importance of investigating weak internal control programs; and
- have the opportunity to question the instructor and other participants who may have been involved in investigating fraud cases through threaded discussion groups.

### Target Audience

Each participant should be a safety and soundness examiner with one to three years' experience. **This course is not intended for seasoned safety and soundness examiners.**

### Length

*Fraud Identification Training* is an on-line, interactive course constructed to be completed over five weeks. The actual time necessary to complete the course activities is approximately 5 hours per week (total 25 hours), and all activities can be done via a dial-up 56K modem.

Interaction with other course participants will be available through the use of threaded discussion boards on each individual case study and other topics throughout the course

### Topics

The seminar is largely comprised of case studies drawn from member agencies. The instructor will be a seasoned financial institutions regulator and will facilitate discussion throughout the course.

Case study topics include

- ♦ *"Land flip" schemes*
- ♦ *Money Laundering*
- ♦ *Wire Transfer Fraud*
- ♦ *Check Kiting*
- ♦ *Insider Fraud*
- ♦ *Other Topics of Current Interest*

### Registration

Participants should apply to their respective agency training offices for approval to take this course.

Specific information regarding on-line registration will be sent to each individual participant upon agency approval.

## Information Technology (IT) Conference

### Summary

The *Information Technology Conference* is designed to update senior information systems examiners on current and prospective developments in the area of IT, system controls, and security. Speakers for this program are nationally recognized industry leaders and, occasionally, senior staff members from regulatory agencies.

### Length

*Information Technology Conference* length may vary, but is likely to be 3 days. It will begin on Monday at 9:00 a.m. and end on Wednesday at 5:00 p.m. The normal class day is eight hours. The event may be followed by 1 – 1 ½ days of separate regulatory agency breakouts.

### Objectives

At the completion of this course, a participant should be able to:

- identify the risks, benefits, advantages and disadvantages of emerging technologies; and
- discuss the implementation of leading-edge financial institution and data processor hardware and software, including security issues.

### Target Audience

*Information Technology Conference* is directed at senior IT examiners and safety and soundness examiners with IT examination responsibility as identified by each agency.

# Instructor Training School

## Summary

*Instructor Training School* is designed to equip an instructor with fundamental teaching and coaching skills. Basic lecturing techniques, questioning techniques, lesson planning, and the preparation of audiovisual aids will be covered.

## Objectives

Participants will be able to:

- use the two principles of instruction, differentiate the needs of the instructor and the learner, and identify learning styles and other factors that can affect learning;
- describe the Instructional Systems Design process and how that process can be used to develop a lesson plan, write learning objectives, and use a checklist to prepare the room;
- identify types of questions, use various questioning techniques, and identify techniques for handling student questions and comments in oral presentations;
- use effective presentation techniques and foster group dynamics and promote participation;
- respond to "difficult" students in the classroom and apply the principles of classroom management; and
- coach others in both an individual and group environment.

## Target Audience

*Instructor Training School* is intended for those who have been selected to teach in agency or FFIEC courses.

## Length

*Instructor Training School* is a 4½-day course involving extensive class participation. It begins on Monday at 9:00 a.m. and ends on Friday at 11:30 a.m. The normal class day is approximately eight hours of class activities including the presentations by the participants.

## Requirements

The participant is required to prepare, deliver, and evaluate the following presentations:

- 5-minute lecture
- 15-minute lecture with questions, part of which will be videotaped
- 15-to-20 minute group facilitation.

Some additional preparation may be required. Students may desire to bring their laptop computers for use in completing the preparation.

## Pre-course Study

Each participant is required to bring familiar lesson plans or resource materials that can be used as a basis for the three class presentations. These presentations should be on the same topic. No lesson plans or research facilities are provided for participant presentations.

## Post-course Assignment

In order to reinforce new skills, the participant should be assigned to teach as soon as possible after completing this course.

# International Banking Conference

## Summary

The *International Banking Conference* updates participants on the latest developments in international banking activities. Supervisory issues and policies of the bank regulatory agencies will be discussed.

## Objectives

Upon completion of this conference, attendees will have been updated on current issues in international banking and the regulatory responses to these developments.

## Target Audience

The intended audience is senior international examiners or senior examiners-in-charge as identified by each agency.

The conference is intended only for those examiners who regularly have senior responsibility in the international banking or financial arenas.

## Length

The *International Banking Conference* length may vary but is usually two to three days. The normal class day is eight hours.

## Requirements

Participants must have attended the *International Banking School* or must be in charge of examinations of operations that engage in international banking activities.

## Topics

The topics have not yet been chosen; however, the following topics were presented in the previous conferences:

- ♦ *Supervisory Perspective on International Banking presented by a top regulatory official*
- ♦ *Update on the latest BIS initiatives and other supervisory matters*
- ♦ *Trends in International Lending and Capital Markets*
- ♦ *Country Risk Issues*

### NOTE:

The *International Banking Conference* is offered on an as-needed basis, typically every other year, as determined by the Task Force on Examiner Education. The most recent conference was held in June 2002. There will be a conference in 2004.

Space is limited for this conference and those who do not have regular international examination responsibilities should not attend.

# International Banking School

## Summary

The *International Banking School* is designed to enhance the participants' knowledge of international banking activities in order to improve examination skills required in supervising these activities. The *International Banking School* is taught in a classroom/discussion setting in an interactive learning environment.

## Objectives

At the completion of the course, a participant will be able to:

- distinguish the risk characteristics of common global securities in the proper economic and managerial context;
- analyze the risk characteristics of common derivative instruments from an asset/liability management perspective;
- analyze the various types of foreign exchange (FX) transactions, including FX derivatives;
- evaluate the risks associated with foreign exchange, such as exchange rate risk, interest rate risk, liquidity risk, credit risk, and business risk;
- evaluate FX risk control policies, risk management systems, and business procedures to control risk;
- analyze trade finance activities, including import letters of credit, similar instruments and medium term financing facilities, and evaluate the associated risks and controls;
- analyze the major forces driving structural changes in international financial markets and the impact of these changes on the banking community; and
- provide strong support in examinations of small-scale international banking activities.

## Target Audience

The *International Banking School* is a specialized course not intended for all bank examiners. Rather, it is designed for examiners who have supervisory responsibilities for regional or multinational banks that are actively engaged in international banking activities and U.S. branches and agencies of foreign banks. This course is considered inappropriate for agency staff that has no international supervisory responsibilities.

In order to obtain a class with a uniform working knowledge of international banking and, greater class participation, participants must have on-going examination responsibilities in international banking that occur at least occasionally, if not frequently. It is recommended that attendees with an international banking background have at least six months to one year prior examination experience. Examiners who have had only occasional international responsibilities are required to have completed the FFIEC *Basic International Banking Self-Study* course. These prerequisites may be waived if the participant has **significant** international banking experience.

## Length

The *International Banking School* is a 4½-day course. It begins on Monday at 8:30 a.m. and ends on Friday at 12:00 noon. The normal class day is eight hours.

## Requirements

Participants should bring a calculator capable of calculating present value.

# Lead Investigation Specialists Workshop

**NEW**

## Postponed until 2005

### **Background**

The purpose of this workshop is to accelerate the development of the prospective cadre of lead investigation specialists.

### **Summary**

*Lead Investigation Specialists Workshop* provides intensive exposure for examiners with substantial investigation experience to further hone their skills in interviewing, investigation, documentation and case management.

A case study, supplemented by brief presentations, will comprise the bulk of the instruction. The faculty will consist of lead examiner-investigators, FFIEC member agency attorneys, U.S. Department of Justice attorneys and outside consultants serving as instructor-coaches.

### **Objectives**

At the completion of this course, participants will have enhanced their skills in the following areas:

- Interviewing;
- Investigation;
- Documentation
- Investigation Management;

### **Target Audience**

*Lead Investigation Specialists Workshop* is aimed at examiners who have been intensely involved in several investigations and demonstrate leadership potential. Selection will be made by member agency development group representatives. Each session will comprise approximately 16 participants.

### **Length**

*Lead Investigation Specialists Workshop* is a 4 ½ day program. It will be offered twice a year.

### **Requirements**

Participants will be required to review a case study prior to their attendance and actively participate in the exercises. Some out of class work may be required.

## Lead Investigation Specialists Workshop - Participant Profile

**At the development group member's option, this form may be used for assistance in participant selection.**

INSTRUCTIONS: Please complete this profile and return to your agency's development group representative. If you have any questions you may contact Paul T. Sanford at [PaSanford@fdic.gov](mailto:PaSanford@fdic.gov).

Date \_\_\_\_\_

Participant's Name \_\_\_\_\_ Office Phone \_\_\_\_\_

Agency \_\_\_\_\_ Years with Agency \_\_\_\_\_

Describe your Loan Fraud investigation examination experience:

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Please list any previous experience in formulating exam procedures, policies etc \_\_\_\_\_

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Why do you have an interest in the topic of this symposium? \_\_\_\_\_

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Development Group approval: \_\_\_\_\_ Date: \_\_\_\_\_

# Payment Systems Risk Conference

## Summary

The *Payment Systems Risk Conference* will improve examiners' understanding of the risks involved in emerging and existing payment systems, methods used to minimize these risks, and the means of evaluating these risks in the examination process. The conference will also address technological advancements and how these advancements will impact banking.

## Objectives

At the completion of this course, a participant should be able to discuss an array of topics pertaining to the FedWire payment systems. These include:

- systemic risk;
- operating procedures and policies of Fedwire, CHIPS, and regionally automated clearing houses;
- controls for FedLine terminals; and
- ACH guidelines and risks.

In addition, the attendees will be able to:

- understand the value flow for commercial and consumer transactions;
- describe key risk mitigation techniques for traditional and emerging retail and consumer transactions;
- describe the components of an effective contingency plan;
- explain the risk factors and control procedures associated with merchant credit card processing; and
- describe the Office of Foreign Asset Control (OFAC) and its compliance requirements.

## Target Audience

*Payment Systems Risk Conference* is intended for both commercial field examiners and regional/district office staff who need better understanding of the risks associated with payment systems. A minimum of five years of experience is recommended. Senior examiners are not excluded.

## Length

*Payment Systems Risk* is a 3½-day conference. It begins on Monday at 9:00 a.m. and ends on Thursday at 12:00 noon. The normal class day is eight hours.

## Post-course Assignment

Participants should be given the opportunity to examine wire transfer activities in order to enhance their training.

## Topics

Topics likely to be included are:

- ♦ *An Overview of Commercial and Retail Payment Systems*
- ♦ *A Practitioner's Views on Internet Banking*
- ♦ *Risks Associated with Wire Transfers*
- ♦ *An Overview of OFAC*
- ♦ *FedLine Terminal Controls*
- ♦ *ACH Risks*
- ♦ *Contingency Planning*
- ♦ *Merchant Processing Risks*
- ♦ *A Discussion of Privacy Issues Associated with Retail Payments*
- ♦ *Payment Truncation Issues*

# Real Estate Appraisal Review School

## Summary

The *Real Estate Appraisal Review School* provides examiners with the underlying knowledge and skills required to review a commercial real estate appraisal to determine compliance with appraisal regulations and standards as provided by the Uniform Standards of Professional Appraisal Practice ("USPAP"). Through case studies and exercises, examiners will evaluate the real estate appraisal as a key component in the credit risk assessment process for commercial real estate loans. Examiners will learn how to identify the most commonly made mistakes by appraisers and to identify potential appraisal fraud. Using standard agency provided data and information; participants will also learn how to review and test key assumptions used to determine value, and to estimate the impact on value, given revised assumptions.

## Objectives

At the completion of the course, a participant will be able to:

- explain the USPAP requirements and the Federal regulations governing appraisals;
- describe the various types of appraisal reports;
- explain the appraisal valuation process;
- describe the three approaches to value;
- identify common appraisal errors;
- identify potential fraud in appraisals;
- use agency provided data and tools to validate appraisal assumptions;
- calculate estimated values based on revised appraisal assumptions; and
- recognize and identify the strengths and weaknesses of emerging automated valuation tools and techniques in the appraisal process.

## Target Audience

The *Real Estate Appraisal Review School* is designed for examiners with experience in evaluating commercial real estate loans that need enhanced skills in reviewing and analyzing commercial real estate appraisals.

## Length

The *Real Estate Appraisal Review School* is a 4½-day course. It begins on Monday at 9:00 a.m. and concludes on Friday at 12:00 noon. The normal class day is eight hours.

## Requirements

A basic understanding of income producing real estate lending is a prerequisite of this course.

Specific agency guidance: OTS examiners may attend with 18 months to 24 months of general examination experience. FDIC examiners should have approximately 4 to 5 years' general examination experience.

## Pre-course study

This course requires the completion of a **40 hour** self study program of instruction that provides the foundation of the real estate appraisal preparation theory and process. These self-study modules will provide basic and generic appraisal information about the 12 CFR appraisal regulations, the USPAP standards, appraisal reports, appraisal valuation process, concepts of value, and the three approaches to value (cost, direct sales comparison, and income capitalization). This material is provided to allow for the most efficient use of the in-class workshop time where the focus will be on the appraisal review process and hands on case studies.

*These self-study materials are currently provided as paper-based materials with an estimated completion time of approximately one week. The self-study course may also be completed in an on-line format. Participants should apply to their respective agency training offices for approval to take this course. Specific information regarding on-line registration will be sent to each individual participant upon agency approval.*

# Supervisory Updates and Emerging Issues

## Summary

The *Supervisory Updates and Emerging Issues* conference seeks to provide authoritative analyses of emerging technical topics and important contemporary issues confronting the regulatory and banking communities. Each session will concentrate on particular topics of regulatory interest which are at the forefront of potential risks and challenges to the financial services industry. Experience has shown that the content of these sessions leverages each examiner's knowledge by exposing them to subject matter experts possessing the latest information. As this knowledge at this level is difficult to obtain in the field, examiners can more readily identify emerging risks at their institutions.

## Objectives

At the completion of this course, a participant should be able to:

- discuss the current trends and emerging issues;
- identify key risk issues; and
- Recommend best practices.

## Target Audience

*Supervisory Updates and Emerging Issues* is intended for commissioned examiners of any tenure.

## Length

*Supervisory Updates and Emerging Issues* will be 3 ½ days. They begin on Tuesday at 9:00am and end on Friday at 12:00 noon.

## Topics

Topics for the 2004 *Supervisory Updates and Emerging Issues* will be determined based on current matters of high interest that evolve out of meetings by interagency Subject Matter Experts. The agencies' training offices will communicate additional information to supervisors as it becomes available.

# Testifying School

## Summary

*Testifying School* participants learn to present findings as an expert witness through depositions and in-court testimony. Participants testify in mock trial role play, with attorneys serving as instructors, judges, prosecutors and defense attorneys. Direct and cross examination techniques will be used. Constructive feedback will be given by other participants, as well as instructors from the U.S. Department of Justice and a retired federal judge. Each participant will receive a videotape of his/her deposition and in-court testimony.

## Objectives

At the completion of this course, a participant will be able to:

- present evidence in a highly credible manner at depositions, hearings, and trials;
- respond appropriately to defense attorney cross examination tactics and questions from the presiding judge; and
- Recognize the aspects of proper documentation of criminal referrals.

## Target Audience

*Testifying School* is designed for commissioned examiners who are scheduled to testify or are likely to testify in the near future. It is not an automatic follow-up to the FFIEC *Financial Crimes Seminar*. *Testifying* is intended as a supplement to preparation provided by agency attorneys. Only examiners who expect to testify are encouraged to apply. Exceptions must be reviewed by the nominee's training headquarters.

## Length

*Testifying School* is a 3½-day course. It begins on Tuesday at 9:00 a.m. and ends on Friday at 12:00 noon. The normal class day is eight hours.

## Requirements

Each attendee is expected to have a very good working knowledge of the case study **prior** to the start of the course, and to bring the notebook to class.

## Pre-course Study

The FFIEC will mail the course notebook containing the case study and documentation to each participant approximately three weeks prior to the beginning of the course. Participants who do not have a good working knowledge of the case **prior** to the course should not attend. The case study requires approximately 6 hours study time.

## Post-course Assignment

It is expected that the participant will testify at a deposition, hearing, or trial soon after completion of the course.

## Topics

Topics may vary somewhat from session to session. It is, however, expected that the following topics will be covered:

- ♦ *Effective Testimony*
- ♦ *Testifying in Depositions*
- ♦ *Testifying in a Hearing*
- ♦ *A Judicial Perspective*

**All participants must complete a *Participant Profile Form* and submit it to their agency training office.**

## Testifying -- Participant Profile

INSTRUCTIONS: A photocopy of this form should be completed by the nominee and returned to the nominee's training headquarters which will forward the approved forms to the program administrator, Dennis Dunleavy, at the FFIEC training center. If there is a question concerning a nominee's qualifications, the training headquarters should consult with its Testifying Development Group Representative.

Date \_\_\_\_\_

Participant's Name \_\_\_\_\_

Office Phone \_\_\_\_\_

Agency \_\_\_\_\_ Years with Agency \_\_\_\_\_

Describe your previous testifying experience (if any): \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Briefly describe the case(s) on which you are likely to testify: \_\_\_\_\_

\_\_\_\_\_

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\_\_\_\_\_

\_\_\_\_\_

What goals do you want to accomplish during the school? \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Training Headquarters approval: \_\_\_\_\_ Date: \_\_\_\_\_

## Basic International Banking Self-Study CD

### Summary

The *Basic International Banking Self-Study* course is taken at the examiner's office through the use of a self-study CD and supplemental reading material. It provides examiners with a basic understanding of the structure of international banking activities in banks and how such activities are supervised by the banking agencies. The material is designed to provide examiners who have little, if any, international examining responsibilities with a basic understanding of international banking supervisory matters, and is a prerequisite for the *International Banking School*. In addition with the class offered in a CD format, it also can be used by examiners as a reference tool during examinations.

### Objectives

At the completion of the course, a participant will be able to:

- Outline the structure of international banking operations
- Apply a working knowledge of major international banking laws and regulations to the examination process
- Distinguish the types of international loans and the key features of a syndication and differentiate the risks of international lending from domestic lending
- Identify the policies and procedures that should be implemented by a bank active in international lending

- Distinguish the various kinds of foreign lending by borrower and by geographic region
- Recognize the range of trade finance instruments commonly used by banks, the associated risks, and the controls that should be in place to manage these risks, identify foreign exchange risks, strategies for risk and exposure management, and exposure information systems
- Describe common capital market instruments, issued in various international markets, such as Eurobonds and medium-term notes; and understand how the risks of an international security differ from a domestic instrument
- Differentiate between derivative contracts, including over-the-counter and exchange-traded, option-based and forward-based, and understand key risks applicable to these off-balance-sheet instruments

### Target Audience

*Basic International Banking Self-Study* is intended for examiners or analysts who fall within one of the following categories:

- ♦ Newly hired examiners with at least six months examination experience who frequently have responsibilities for international banking operations
- ♦ Examiners or analysts with little or no prior international banking experience

## FFIEC InfoBase and Training CDs

### Overview

During 1999, the FFIEC Examination Council requested the FFIEC Examiner Education Office develop new methods to provide information or training quickly to examiners when a new interagency policy statement or regulation was issued. In response, the Examiner Education Office created the FFIEC InfoBase, a vehicle that will enable prompt delivery of introductory, reference, and educational training material on specific topics of interest to field examiners. The design format is appropriate for an easily updateable interagency web site. However, the initial distribution is being made on CD to accommodate examiners with limited Internet access. The current CD's thus represents a hybrid browser-based delivery method that may easily be transported to an updateable interagency web site in the future when more examiners have access.

### CD Contents

The CD contains the browser-based "web site" that will provide the user with structured access to training and reference materials. The Task Force on Examiner Education approves selected topics. The CD content is guided by FFIEC working groups comprised of representatives of the agencies with in-depth knowledge of the topic. Reference information is available in portable document format (PDF). In addition to agency policy statements, examination procedures, and other reference documents, the CDs contain training modules delivered via narrated PowerPoint presentations. A multimedia PC using a standard web browser with Macromedia's Flash and Adobe's Acrobat Reader are required for use.

The FFIEC Examiner Education Office welcomes all comments, suggestions, and observations concerning this InfoBase. E-mail should be directed to [FFIECInfoBase@fdic.gov](mailto:FFIECInfoBase@fdic.gov).

### Distribution

The Task Force on Examiner Education establishes the number of CD's to be distributed to each agency as topics are identified and developed.

### Current Topics

#### Subprime Lending

The *Subprime Lending CD* was first distributed in April 2000. The CD contains approximately 500 pages of information including agency policy statements, examination procedures, and other reference documents.

Seven training modules are delivered via narrated PowerPoint presentations. The time required to view the presentations is approximately one hour.

Presentation topics include the following:

- ♦ *Introduction to Subprime Lending*
- ♦ *Auto Loans*
- ♦ *Credit Cards*
- ♦ *Mortgages*
- ♦ *Case Study*
- ♦ *Expanded Guidance*

This CD was updated in August 2002 and was distributed to the agencies for posting on their internal web sites.

#### Privacy of Financial Information

The *Privacy of Financial Information CD* was issued in July 2001 and contains a series of reference materials, regulations, examination procedures, and 12 narrated slide presentations on the GLBA Financial Privacy Regulations. The Interagency Compliance Examination Procedures documentation is provided in HTML format with a concurrent frame containing links to specific sections of the regulation relative to the examination procedure.

# Fraud Investigations Symposium

## Summary

*Fraud Investigations Symposium* provides a forum for fraud detection specialists to discuss important fraud detection issues and develop recommendations for policies and procedures to address those issues.

A major theme will be announced for each session. Themes will be decided by the Financial Crimes Development Group in consultation with past participants. Outside expert(s) may lead discussions, present new ideas or serve as a resource person(s).

This program is different than most courses in that the flow of information is expected to come from the participants to the program leader.

## Objectives

At the completion of this course, a participant will have helped develop a "white paper" which:

- defines the regulatory/examination issues involved in the symposium topic;
- outlines recommended changes in regulations and/or examination procedures; and
- makes recommendations to the supervision officials of the member agencies based on the conclusions reached in the symposium.

A participant should also gain increased working knowledge of certain new fraud schemes, documentation methods, etc.

## Target Audience

*Fraud Investigations Symposium* is aimed at fraud detection career path examiners who are heavily involved in fraud examination. Selection will be made by member agency development group representatives. It is anticipated each agency will furnish 3 participants including one attorney member. Agencies are also encouraged to name one alternate.

Potential participants desiring information regarding conference themes and agency development group representation may contact Dennis Dunleavy at [Ddunleavy@FDIC.gov](mailto:Ddunleavy@FDIC.gov).

## Length

*Fraud Investigations Symposium* is a 10-day program. The majority of the participants will be required to stay a second week for the completion of the "white paper." The normal class day is eight hours.

## Requirements

Participants should have an active interest in discussing and developing recommendations for insider loan fraud detection examination procedures. Participants may be asked to lead discussion groups and to outline or draft policy recommendations.

A significant portion of the week will be devoted to developing and writing a "white paper" that is likely to become the basis of a policy recommendation.

The product from the 2002 Symposium, "The Detection, Investigation and Prevention of Insider Loan Fraud", is available on the FFIEC web-site: [www.ffiec.gov](http://www.ffiec.gov)

## Fraud Investigations Symposium - Participant Profile

At the development group member's option, this form may be used for assistance in participant selection.

INSTRUCTIONS: Please complete this profile and return to your agency's development group representative. If you have any questions you may contact Dennis Dunleavy at [DDunleavy@FDIC.gov](mailto:DDunleavy@FDIC.gov)

Date \_\_\_\_\_

Participant's Name \_\_\_\_\_ Office Phone \_\_\_\_\_

Agency \_\_\_\_\_ Years with Agency \_\_\_\_\_

Describe your fraud investigation examination experience: \_\_\_\_\_

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Please list any previous experience in formulating exam procedures, policies etc.: \_\_\_\_\_

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Why do you have an interest in the topic of this symposium? \_\_\_\_\_

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Development Group approval: \_\_\_\_\_ Date: \_\_\_\_\_

# Information Technology (IT) Symposium\*

## Summary

The *Information Technology Symposium*\* provides a forum for the most senior IT examiners to discuss important information technology issues and to develop recommendations for policies and procedures to address those issues.

A major theme will be announced for each session and outside experts are usually invited to lead discussions and/or serve as a resource.

This program is different than most courses in that the flow of information is expected to come from the participants to the program leader.

## Objectives

At the completion of this symposium, the participants will have developed a "white paper" which:

- defines the regulatory/examination issues involved in the symposium topic;
- outlines recommended changes in regulations and/or examination procedures; and
- makes recommendations to the supervision officials of the member agencies based on the conclusions reached in the symposium.

## Participant Profile

When the *Information Technology Symposium* is held it is aimed at IT examiners who are heavily involved in examining complex data processing centers. Participants must possess a strong technical background in IT examinations. At least five years' IT examination experience is preferable. Regional offices must carefully screen participants to ensure that all nominees meet these requirements. A completed Participant Profile Form (see next page) summarizing each nominee's experience in information technology must be included with the nomination. This form should be completed by each participant 30 days prior to the beginning of the session. Substitute participants must meet the same experience standards.

## Length

The *Information Technology Symposium* is a 4½-day program. It begins on Monday at 9:00 a.m. and ends on Friday at 12:00 noon. Some participants may be required to stay a second week, for the completion of the "white paper," per their agencies' instructions.

## Requirements

Participants should have an active interest in discussing and developing recommendations for IT examination procedures. Participants may be asked to lead discussion groups and to outline or draft policy recommendations.

A significant portion of the week will be devoted to developing and writing a "white paper" that is likely to become the basis of a policy recommendation.

**\* Joint project with the Task Force on Supervision on an as needed basis.**

The product from the 2001 Symposium, "Authentication in an Electronic Banking Environment," is available on the FFIEC website [www.ffiec.gov](http://www.ffiec.gov).

The information from the 2002 Symposium, "Business Continuity Planning," was used to update the FFIEC IT Examination Handbook dealing with contingency planning and business continuity issues.

The information from the 2003 Symposium, "New Developments in Data Center Operations" will be used to update the IT Examination Handbook booklet on operations.

## IT Symposium\* - Participant Profile

INSTRUCTIONS: A photocopy of this form should be completed by the nominee and returned to the nominee's training headquarters which will forward the approved forms to the program administrator at the FFIEC training center. If there is a question concerning a nominee's qualifications, the training headquarters should consult with its IT Development Group Representative.

Date \_\_\_\_\_

Participant's Name \_\_\_\_\_ Office Phone \_\_\_\_\_

Agency \_\_\_\_\_ Years with Agency \_\_\_\_\_

IS Schools previously attended: \_\_\_\_\_

\_\_\_\_\_

Describe your IS examination experience: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

List the names of the largest data centers you have examined (give dates): \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Why do you have an interest in the topic of this symposium? \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**Training Headquarters approval:** \_\_\_\_\_ **Date:** \_\_\_\_\_

\* Joint project with the Task Force on Supervision

# Real Estate Appraisal Review Self-Study Course (Also Available On-Line)

## Summary

The *Real Estate Appraisal Review Self-Study Course* provides financial institution examiners with a foundation for further basic training in real estate appraisal preparation theory and process. Participants will review written materials, review case studies, and complete a self-assessment at the conclusion of the course.

## Objectives

At the completion of the course, a participant should be able to:

- explain the USPAP requirements and the Federal regulations governing appraisals;
- describe the various types of appraisal reports;
- explain the appraisal valuation process;
- describe the three approaches to value; and
- identify some common appraisal errors.

## Target Audience

The *Real Estate Appraisal Review Self-Study Course* is designed to augment examiners' understanding of the appraisal review process, and enhance their ability to review commercial real estate appraisals.

## Length

The self-study course will require approximately 40 hours to complete.

## Modules

- ♦ *Introduction and Self-Assessment*
- ♦ *Agencies' Need for Appraisals*
- ♦ *Concepts of Value*
- ♦ *Highest and Best Use Aspects*
- ♦ *Cost Approaches to Value*
- ♦ *Income Approach to Value*
- ♦ *Case Study*

## Requirements

Participants will need the use of a calculator that is able to perform present value and future value calculations.

**Note: While not required, this course should ideally be followed by the onsite Real Estate Appraisal Review School. Correspondingly, those who have attended the Real Estate Appraisal Review School should not take this class. This self-study course is the same as the pre-course work for that class.**

**Participants should apply to their respective agency training offices for approval to take this course. Specific information regarding on-line registration will be sent to each individual participant upon agency approval.**

# Federal Deposit Insurance Corporation

The Federal Deposit Insurance Corporation's (FDIC) Corporate University (CU) is responsible for developing and conducting examiner education programs. These programs are provided for FDIC's Division of Supervision and Consumer Protection (DSC) examiners and offered to state banking departments, foreign central banks and other banking agencies on a space available basis.

## Registration Procedures

Each May, the FDIC requests an estimate from states of slots needed in selective FDIC and FFIEC programs through an informational letter that sets a response deadline in late June. Supported slots are awarded based on space and resources available, and FDIC priorities. In mid-to-late fall, awarded slots in FDIC courses are communicated to states along with a request for names. Sponsored slots in FFIEC programs are not communicated until sometime later when FFIEC's schedule is firm. Unless FDIC hears back very quickly to the contrary, all slots are considered "confirmed."

Also in May, the FDIC requests from foreign central banks the number of slots needed in Introduction to Examinations School, Financial Institution Analysis School, Loan Analysis School, and Examination Management School. Slots are awarded based on available space and communicated to the foreign central banks in mid to late fall. All FDIC courses listed in this catalog are available to other federal banking agencies.

## Cancellation Policy

Confirmed state student nominations in FDIC schools must be canceled at least thirty-one (30) days prior to the start of a class. For cancellations made less than 30 days prior to the start of the class when no replacement student is offered, the state banking authority is responsible for an administrative fee. In the case of cancellations of confirmed FFIEC school slots sponsored by the FDIC, state banking authorities will be responsible for total tuition, unless the FDIC is able to fill the slot. Substitutions may be made in any course at any time.

## Tuition

The FDIC charges tuition ranging from \$700 to \$1,100 for the four programs available to foreign central banks. The FDIC also charges the other federal banking agencies \$1,100 tuition for Loan Analysis School.

## Lodging

A separate indication of lodging needs must be provided when students' names are submitted. Students requiring accommodations outside the norm, which is "in" the night before a class begins and "out" the last day, will be responsible for making their own arrangements with the hotel and paying any additional expense themselves.

## Contact

General information requests, student cancellations, changes, or lodging questions should be directed to the FDIC Corporate University at the address below:

### Federal Deposit Insurance Corporation

Corporate University

3501 Fairfax Drive, Room VS-3051  
Arlington, VA 22226-3500

Telephone: 703/516-1026  
FAX: 703/516-1002

[www.fdic.gov](http://www.fdic.gov)

**Introduction to  
Examinations School**

This course simulates the technical responsibilities of an operations manager of a bank examination. Upon completion of this course, participants will be able to discuss the important elements of bank supervision and the essential components of the Call Report. Participants will play the role of operations manager and conduct informational meetings with bank management.

*Course Length:* 3 weeks

*Intended Audience:* Pre-commissioned examiners with generally 6 months of bank examination experience.

**Financial Institution  
Analysis School**

This course addresses the off-site (UBPR) and on-site analysis of financial institutions. Upon completion of this course, participants will be able to analyze the risk profile of an institution and provide written rationale (comprehensive outlines) to support conclusions. Participants will also analyze the impact of bank holding company on an institution's financial condition.

*Course Length:* 2 weeks

*Intended Audience:* Pre-commissioned examiners with generally 18 months of bank examination experience.

**Loan Analysis School**

Upon completion of this course, participants will be able to review commercial loan files, assign appropriate loan classifications, participate in loan discussions, and prepare loan write-ups.

*Course Length:* 2 weeks

*Intended Audience:* Pre-commissioned examiners with generally 24 months of bank examination experience.

*Loan Analysis School will be redesigned in 2003. The revised course will consist of approximately 50 hours of computer-based instruction and 36 hours of classroom training. The revised course will be available in the first quarter 2004.*

**Examination  
Management School**

This course simulates the bank examination process, beginning with the pre-examination functions and concluding with a completed Report of Examination. The course is an interactive case study in which the participant plays the role of an examiner-in-charge (EIC). Participants fulfill the general duties of an EIC over the course of the three-week school.

*Course Length:* 3 weeks

*Intended Audience:* Pre-Commissioned examiners with generally 42 months of bank examination experience.

**Trust Examination  
School**

Upon completion of this course, participants will be able to discuss most of the aspects of bank fiduciary activity, identify common risks, and perform appropriate trust examination procedures.

*Course Length:* 2 weeks

*Intended Audience:* Commissioned bank examiners who have or plan to have involvement in trust department examinations.

**Information Technology  
Examination Course**

This course simulates the examination process for a non-complex information technology (IT) examination. Participants will serve as examiner-in-charge and will assess the technology risk associated with a case study bank. Upon completion of this course, participants will be able to describe bank information systems operations, identify weaknesses in management and internal controls, assess an institution's technology risk profile, and assign and support URSIT ratings.

*Course Length:* 1 week

*Intended Audience:* Financial institution examiners who will be examining small, non-complex bank data processing operation. Participants should have at least two years of examination experience, and worked on a minimum of two IT examinations.

# Federal Reserve System

Programs are open to banking supervision staff of the Federal Reserve System. Once all course prerequisites are complete, staff members from State agencies and other regulatory agencies are accommodated on a space-available basis.

## Registration Procedures

Registration forms are required for all participants. Once per year, each Reserve Bank should submit a participant registration form for each staff member enrolled in a System, FFIEC or other agency course during that year.

State participants should submit their registration forms to the banking supervision and regulation function's training coordinator at the Reserve Bank in which their state is located. If the state is one that is split between two Reserve Banks, the state should register through the Reserve Bank in which the state capital is located.

## Foreign Supervisory Authorities

Most Federal Reserve System courses listed in this catalogue are not open to staff from foreign supervisory authorities. The Federal Reserve offers a somewhat different set of training programs specifically designed for and exclusively offered to staff and officials from non-U.S. supervisory authorities. For a copy of the Federal Reserve's international catalogue, please contact Mr. Sarkis Yoghourtdjian via email at [sarkis.voghourtdjian@frb.gov](mailto:sarkis.voghourtdjian@frb.gov) or by phone at (202) 452 – 3193.

## Cancellation Policy

There is no penalty for cancellation of participants in Federal Reserve System schools. In case of cancellation of confirmed FFIEC slots sponsored by the System, state banking authorities are responsible for total tuition regardless of the date of the cancellation if the slot cannot be sold.

## Tuition

There are no tuition charges for System schools. The FFIEC and OCC programs have tuition fees, which are available from the Reserve Bank training coordinator or from the System Staff Development group.

## Funding

A cost-sharing program including partial reimbursement of materials charges, tuition, lodging and travel expenses for System and FFIEC program's are available from each Reserve Bank.

## Lodging

Lodging arrangements will be made for each participant registered for class. Specific lodging information will be included in the letter of introduction sent to each participant.

## Pre-course Materials

Pre-course materials for System programs are generally sent to participants approximately eight weeks prior to the class. FFIEC and other agency schools' pre-course materials are sent to participants approximately 45 days prior to the session.

Each participant's Reserve Bank or agency is responsible for assuring that participants have satisfactorily completed all pre-course work in a timely manner. In addition to pre-course work, some courses have proficiency checks which must be completed and forwarded to the Reserve Bank training coordinator prior to attending the course.

## Dress Code

Business casual attire is permitted for programs conducted at the System Examiner Training Center in Washington, DC. The first-day letter sent to each student prior to attending any System school addresses the dress code for the host site. In addition, the dress code for each Reserve Bank is summarized in the Administrative Procedures Manual on the Board's BS&R Website.

Contact:

**Board of Governors  
of the Federal Reserve System**  
Division of  
Banking Supervision and Regulation  
System Examiner Education Program  
M/S 350  
Washington, DC 20551-0001  
Telephone: (202) 973-5075  
FAX: (202) 973-5062  
[www.federalreserve.gov](http://www.federalreserve.gov)

<b>Banking and Supervision Elements</b>	<p>This course addresses the skills and knowledge needed by all of the examination specialties, recognizes the underlying principles of risk management and integrated supervision, and encourages development of investigative and critical-thinking skills.</p> <p><i>Course Length:</i> 8-1/2 days  <i>Intended Audience:</i> Individual with approximately 3-6 months on-the-job experience.</p>
<b>Operations and Analysis School</b>	<p>This course emphasizes common operational, analytical, and supervisory themes and techniques for banks, bank holding companies and U.S. operations of foreign banking institutions. It introduces risk concepts, both in theory and in a risk-focused supervision environment.</p> <p><i>Course Length:</i> 9-1/2 days  <i>Intended Audience:</i> Individuals with approximately 12 - 15 months of relevant experience.</p>
<b>Loan Analysis</b>	<p>This course enables participants to review loan files and recommend appropriate loan classifications, participate in loan discussions, prepare loan write-ups, and understand commercial lending from the lender's perspective.</p> <p><i>Course Length:</i> 9-1/2 days  <i>Intended Audience:</i> Individuals with more than 18 month experience in supervision.</p>
<b>Bank Management</b>	<p>This course enables the participants to more fully understand specific banking functions, gain an in-depth view of the operations of a banking institution from the banker's perspective, and participate in a computer model that simulates a real-world banking environment. Advanced credit analysis techniques are stressed.</p> <p><i>Course Length:</i> 8-1/2 days  <i>Intended Audience:</i> Individuals with 30-42 months experience in supervision.</p>

**Examination  
Management –  
Community &  
Management**

XMan Community and Regional (XMan C&R) is a one-week session that focuses on issues relevant to the examination and inspection of community and regional financial organizations. This course enhances a participant's analytical, decision making, and Leadership skills. Participants use critical thinking skills to perform financial analyses, evaluate risk management processes, and evaluate key aspects of an institution through integrated supervision.

*Course Length:* 4-1/2 days

*Intended Audience:* Assistant Safety and Soundness, Information Technology, and Trust examiners with at least three years of relevant experience, whose primary responsibilities are with this type of organization.

**Examination  
Management –  
Large Banking  
Organization (LBO)**

XMan Large Banking Organization (XMan LBO) is a one-week session that focuses on issues relevant to the examination and inspection of large banking organizations. This course enhances a participant's analytical, decision making, and Leadership skills. Participants use critical thinking skills to perform financial analyses, evaluate risk management processes, and evaluate key aspects of an institution through integrated supervision.

*Course Length:* 4-1/2 days

*Intended Audience:* Assistant Safety and Soundness, Information Technology, and Trust examiners with at least three years of relevant experience, whose primary responsibilities are with this type of organization.

**Banking Applications**

This course provides basic understanding of applications processing and familiarizes students with related Board decisions.

*Course Length:* 4-1/2 days

*Intended Audience:* Applications caseworkers with 2-9 months experience.

**Introduction to Consumer  
Compliance Examinations**

This course offers an overview of consumer laws and regulations. The participants work with loan files and case studies, and participate in a mock examination.

*Course Length:* 9-1/2 days

*Intended Audience:* Individuals with 3-6 months experience in consumer examinations.

**Consumer Compliance  
Examinations II**

This course is designed for System examiners who work with residential real estate consumer laws and regulations.

*Course Length:* 4-1/2 days

*Intended Audience:* Individuals with 6-12 months consumer compliance examination experience.

**CRA Examination Techniques**

This course addresses detailed examination issues for small banks and exposes participants to the large bank and wholesale/limited purpose examinations procedures.

*Course Length:* 4-1/2 days

*Intended Audience:* Assistant consumer compliance examiners who are preparing to write the Performance Evaluation for the CRA portion of a Consumer Compliance bank examination.

**Fair Lending Examination Techniques**

This course equips assistant level examiners with the skills and knowledge to plan and conduct a risk-focused fair lending examination.

*Course Length:* 8-1/2 days

*Intended Audience:* Assistant consumer compliance examiners with 18 months of consumer experience.

**Report Writing**

This course enables examination staff to write a coherent report that communicates essential examination findings or other analytical material to the target audience and educates the target audience on any action that may be needed.

*Course Length:* 2 days, plus on-the-job training

*Intended Audience:* Assistant System examiners beginning to write examination reports.

**Real Estate Lending Seminar**

This course provides a systematic approach to analyzing real estate acquisition, development and construction lending. The course covers the types of real estate lending and the risks associated with each type, real estate underwriting standards, developer cash flow analysis, appraisals and appraisal policy guidelines, financing different types of real estate, real estate related accounting issues, problem real estate loan management, classification issues, and local economic conditions affecting real estate lending. There will be reading or case study assignments each night.

*Course Length:* 4-1/2 days

*Intended Audience:* Individuals who have been commissioned as examiners of banks or bank holding companies.

**Management Skills**

This course teaches examiners more effective ways of dealing with co-workers and supervisors, as well as building teamwork in the examination setting. There are sections on problem solving and conflict resolution skills with particular emphasis placed on the common environment of regulatory personnel. The course is highly interactive and requires the student to participate in a substantial way.

*Course Length:* 4-1/2 days

*Intended Audience:* Individuals with 30-42 months experience in supervision.

**Management Skills for  
Commissioned Examiners**

This course teaches examiners and senior supervision staff more effective ways of building teamwork. There are sections on problem solving, negotiation, and conflict resolution skills. This course is highly interactive and requires substantial student participation.

*Course Length:* 3-1/2 days

*Intended Audience:* Commissioned examiners and senior supervision staff.

**Leadership  
Dynamics**

This course provides commissioned examiners and senior supervision staff with an understanding of the leadership skills that are critical when operating within a changing environment.

*Course Length:* 3-1/2 days

*Intended Audience:* Commissioned examiners and senior supervision staff.

**IS Continuing Education  
School**

This course provides advanced training related to the latest industry innovations or emerging technology control issues. It is presented by industry experts in financial information technology and controls. Different issues will be discussed at each session. The course will provide IS examiners with technical overviews of the functionality of specific platforms, risks and control issues, and relevant control recommendations. It will provide them with a framework for evaluating the safety and soundness of IS controls in financial institutions.

*Course Length:* 4-1/2 days

*Intended Audience:* Individuals who have completed the System's Intermediate IS Examination School and have participated in several complex data processing examinations across a variety of technology platforms.

# National Credit Union Administration

The National Credit Union Administration's (NCUA) Office of Human Resources, Division of Training and Development are responsible for developing and conducting all NCUA training programs. These programs are offered to NCUA employees, eligible state employees, and other government employees with whom the NCUA has an agreement.

## Registration Procedures

### NCUA Regional Employees

Contact your immediate supervisor or your regional Division of Management Services staff if you have any class or enrollment questions.

### NCUA Central Office Employees

Contact your immediate supervisor or the Division of Training and Development.

### Non-NCUA Participants

Contact NCUA's Division of Training and Development.

### State Credit Union Regulatory Employees

Unless otherwise noted, state credit union regulatory employees are welcome to attend all NCUA classes.

The State Program Coordinator for NASCUS (National Association of State Credit Union Supervisors) will enroll you and advise you about your training reimbursement. The NASCUS Coordinator is located in the NCUA Training Center and can be reached at 703-518-6636.

## Cancellation Policy

There is no penalty for cancellation of participants in NCUA-sponsored courses.

## Tuition

No tuition is charged to attend NCUA internal training programs.

## Lodging and Travel

### NCUA Employees

Division of Training and Development staff will make your hotel arrangements. You are responsible to make your own transportation arrangements.

### State Employees

The NASCUS Coordinator will make your lodging and travel arrangements through the NCUA Training Center.

## National Credit Union Administration

Training Center  
Office of Training and Development  
1775 Duke Street  
Alexandria, Virginia 22314

Telephone: (703) 518-6630  
FAX: (703) 518-6655

[www.ncua.gov](http://www.ncua.gov)

**COURSE 101:  
LEVEL I  
Examiner Orientation  
And Computer Skills**

This is a two-part program.

Part I: Provides historical and organizational background of the credit union movement and an introduction to the laws, regulations and accounting procedures that govern federally insured credit unions.

Part II: Provides practice using NCUA laptop computers and authorized software.

*Prerequisite:* None. This program has been developed for the new examiner who has just entered on duty. The computer portion of the training assumes a basic understanding of the Windows operating system and word processing and spreadsheet software.

*Length Of Course:* 7 Days

**COURSE 102:  
LEVEL II  
Examiner Computer  
Skills**

Provides an introduction to NCUA's examination procedures and the automated examination software (ARIES).

*Prerequisite:* The examiner who has completed Level I.

*Length Of Course:* 9 Days

**COURSE 103:  
LEVEL III  
Examiner Financial  
Analysis**

Provides detailed review and practice in financial analysis with emphasis on NCUA's Financial Performance Report.

*Prerequisite:* The examiner who has completed Levels I and II, with approximately 3 months of on-the-job experience.

*Length Of Course:* 5 Days

**COURSE 104:  
LEVEL IV  
Examiner  
Communication Skills**

Provides practice in basic analytical skills and verbal and written communication.

*Prerequisite:* The examiner who has completed Levels I, II, and III and has approximately 5 months of on-the-job experience.

*Length Of Course:* 9 Days

**COURSE 105:  
LEVEL V  
Examiner - Specialized**

Provides an introduction to and practice in specialized areas of lending, asset-liability management, investments, and problem case credit unions.

*Prerequisite:* The examiner who has completed Levels, I, II, III, and IV and has approximately 9 months of on-the-job experience.

*Length Of Course:* 5 Days

**SEMINAR 204:  
Introduction To Residential  
Mortgage Lending  
(CORE)**

Provides the examiner with the ability to analyze and evaluate real estate programs in credit unions. Topics covered include: credit union mortgage lending regulations and programs, mortgage lending products, underwriting decisions, secondary mortgage market, appraisals, delinquency, credit reports, home equity credit lines, collection programs, and consumer compliance. This is an introductory level course.

*Prerequisite:* Examiners, usually in the second year on the job, who need a basic knowledge of the subject or examiners who have experience in the subject and need a refresher.

*Length Of Seminar:* 5 Days

**SEMINAR 205:  
Advanced Mortgage  
Lending**

Builds on instruction provided in the Introduction to Residential Mortgage Lending. Provides more advanced instruction on the secondary mortgage market and marketing real estate loans, commercial lending decisions, problems in the cash flow cycle, lender liability and management of problem loans.

*Prerequisite:* Seminar 204: Introduction to Residential Mortgage Lending

*Length Of Seminar:* 5 Days

**SEMINAR 206:  
Consumer Compliance  
Regulation (CORE)**

Provides the history, purpose, requirements and enforcement policies on NCUA consumer regulations. The course will include Regulation Z, Regulation B, Regulation CC, Residential Mortgage Regulations, and Truth in Savings and Fair Lending issues.

*Length Of Seminar:* 5 Days

**SEMINAR 207:  
Fraud Prevention  
(CORE)**

Provides the examiner with a review of procedures and techniques that can be used to verify accuracy of credit union records, deal with record keeping problems, and prevent fraud.

*Length Of Seminar:* 4 Days

**SEMINAR 208:  
Investments I  
(CORE)**

Provides the examiner with up-to-date information on the various types of investments held by credit unions, legal and accounting issues, broker selection, and a review of policy and suitability issues encountered during evaluation of investment portfolios. Introduces Bloomberg analytics.

*Length Of Seminar:* 3 Days

**SEMINAR 213:  
Investments II  
(CORE)**

Provides instruction on advanced investment topics such as the risk management process, the total return concept, and duration and convexity. Builds on information provided in Investments I. Uses the Bloomberg in interactive sessions to analyze investments.

*Prerequisite:* Investments I

*Length Of Seminar:* 3 Days

**SEMINAR 214:  
Asset-Liability  
Management I  
(CORE)**

Provides instruction in asset-liability management (ALM), including interpretation of reports, relationship of interest rate risk management, recognizing components of risk, and thinking through the ALM process to develop effective recommendations/corrective actions in the assessment of the credit union.

*Prerequisite:* Investments I and Investments II.

*Length Of Seminar:* 5 Days

**SEMINAR 215:  
Consumer Lending  
(CORE)**

Provides the examiner with instruction in the elements of lending decisions and specialized lending programs (such as risk based lending, indirect lending and credit card lending). This seminar will also provide information on the evaluation of collection programs and bankruptcy.

*Length Of Seminar:* 5 Days

**SEMINAR 216  
Asset Liability  
Management II**

Provides more extensive asset-liability management (ALM) training for examiners who will participate in the complex, higher risk credit union examinations in their region. Some balance sheet risk areas that will be addressed are: evaluation of potential red flags, factors affecting interest rate risk, automated tools to evaluate risk, vendor model evaluation, and the use of new ALM procedures for assessing balance sheet risk.

*Prerequisite:* Investments I, Investments II, and ALM I.

*Length of Seminar:* 3 Days

**SEMINAR 501:  
Impact Presentations  
(CORE)**

Provides practice and skills development in projecting self-confidence, analyzing the audience, gaining and holding audience attention, developing good rapport with the audience, organizing the presentation, and delivering the message with impact. Emphasis is placed on Joint Conference briefings, and Executive, Critical or Problem Case Briefings. Presentations are videotaped.

*Length Of Seminar:* 5 Days

**SEMINAR 502:  
Effective Writing for  
Examiners**

Provides instruction in how to produce well-organized, well-written examination reports and letters to credit union officials using clear, concise and convincing writing.

*Length Of Seminar:* 2 Days

**SEMINAR 503:  
Effective Writing for Office  
Staff (Federal only)**

Provides instruction in how to produce well-organized, well-written memos, letters, and reports using clear, concise and convincing writing.

*Prerequisite:* None. Intended for employees who write, or those who organize and re-write the work of others.

*Length Of Seminar:* 2 Days

**SEMINAR 506:**  
**Writing Clear Policies**  
**And Procedures**  
**(Federal only)**

Provides instruction in how to write clear, easy-to-read regulations and other documents for use by the public. Participants will work on current products such as manuals, instructions, bulletins, etc.

*Length Of Seminar:* 3 Days

**SEMINAR 403:**  
**Dealing With Performance**  
**And Conduct**  
**(Federal only)**

Identifies supervisor responsibilities in dealing with employee performance and conduct problems, the legal authorities for taking performance or conduct actions, and appropriate and legally sound strategies for resolving problems. Provides practice in effective conflict resolution.

*Length Of Seminar:* 3 Days

# Office of the Comptroller of the Currency

Courses offered by the OCC are specific to its responsibilities as the regulatory agency for national banks. Courses are scheduled and conducted based on needs of OCC examiners.

## Registration Procedures

Specific courses and number of sessions are determined in the second quarter of each proceeding year based on examiner requests. Courses may be added or canceled as OCC training needs and priorities change. Participants are notified in writing thirty-five days in advance of the school start date. Agencies may request slots for schools through the FFIEC budget process. OCC will notify agencies when their requests for training can be accommodated. Requesting agencies are responsible for notifying their employees.

## Cancellation Policy

Agencies should notify the OCC of cancellations at least thirty-five days in advance.

## Tuition

Tuition will be set annually by the OCC.

## Funding

OCC does not provide funding assistance to participants from other agencies for OCC or FFIEC courses.

## Lodging

OCC does not provide for or arrange lodging for non-OCC participants.

## Contact

Requests for training will be evaluated on a case-by-case basis. Agencies interested in requesting training or obtaining further information should contact:

Ms. Elaine Waldstreicher  
**Washington Training Officer**  
**Office of the Comptroller of the  
Currency**  
250 E Street, SW  
Washington, DC 20219

Telephone: 202/874-5361  
Fax: 202/874-5665

[www.occ.treas.gov](http://www.occ.treas.gov)

**Bank Supervision Special Topics:  
Self-Study**

**Audience:** Pre-commissioned Examiners

**Course Length:** 30-40 hrs.

**Objective:** These are Bank Supervision self-study topics appropriate for bank examiners with 3 or more years of exam experience. There are 8 modules of instruction:

- Legal Lending Limits
- Insider Activities
- Related Organizations
- Earnings & Capital
- Internal Controls, Audit, and Fraud
- Supervising Bank IT Operations
- Community Bank Consumer Compliance
- Asset Management

Equipment Requirements: An Acrobat Reader and connection to the OCCNet is required to use the CD ROM.

**Consumer Compliance School  
(Basic)**

This school focuses on consumer compliance examination techniques and procedures. Upon completion, a participant should be able to identify technical requirements associated with consumer laws and regulations, and interpret and apply provisions of the laws and regulations to exam procedures.

*Course Length:* 5 days

*Intended Audience:* Precommissioned Examiners who have participated in at least two consumer compliance examinations.

*Prerequisite:* Completion of the Basic Consumer Compliance Self-Study course (40 hours).

## **Evaluating Bank Management**

This school focuses on comparison of board and management responsibilities, strategic planning/decision making, control systems, personnel administration, insider activities, specialty areas, rating management, and a case study. Upon completion, a participant should be able to apply appropriate methods to evaluate the factors of the management component and rate bank management; document the rating with supporting facts and examples; and communicate the board and management rating orally and in writing.

*Course Length:* 4 days

*Intended Audience:* Precommissioned Examiners or recently commissioned examiners who have managed an exam and have evaluated management performance at least once.

*Prerequisite:* Pre-course work/CD Rom (8 hours).

## **Fair Lending**

This school focuses on skills needed to conduct fair lending examinations, primarily at the community bank level. In addition to explaining the Benchmark Approach to completing fair lending exams, this school provides an explanation of the OCC's fair lending screening process, discusses current fair lending issues, and provides assistance on how to recognize fair lending concerns. The course also includes file reviews and a case study that allows hands on application of the concepts presented in the class.

*Course Length:* 4 days

*Intended Audience:* Examiners who will be conducting fair lending exams, as well as portfolio managers and safety and soundness examiners.

## **Portfolio Manager Techniques**

This school will introduce participants to the full range of their portfolio manager responsibilities including developing risk profiles, establishing supervisory objectives and related strategies, and applying project and team management techniques.

*Course Length:* 5 days

*Intended Audience:* Precommissioned Examiners within one year of UCE testing, recently commissioned examiners who want to refine their portfolio manager skills, or examiners ready to assume portfolio manager responsibilities.

*Prerequisite:* Participants should have completed at least one EIC assignment to accomplish supervisory plans and pre-course reading material (4 hours).

### **Problem Bank Supervision**

This school focuses on recognizing emerging problems in national banks, and identifying various supervisory strategies and enforcement remedies available for supervising these institutions.

*Course Length:* 4 days

*Intended Audience:* All Examiners

*Prerequisite:* Participants must have attended the Bank Supervision School

### **Asset Securitization**

This school focuses on the risks and rewards associated with securitization activities. Current industry trends are discussed in relation to the risks associated with them. Also covered is evaluation of the quality of risk management systems used to control exposures arising from asset securitization.

*Course Length:* 4 days

*Intended Audience:* Examiners with a well-developed understanding of capital markets issues, in addition to experience examining the underwriting and credit portfolio risk management processes. Experience or advanced study in the areas of finance and accounting will be helpful.

# Office of Thrift Supervision

## Registration Procedures

The Training and Development (T&D) calendar is based on need each calendar year. Once the new calendar is in place, enrollments are taken. Enrollments are accepted by phone, e-mail or internal memo.

## Cancellation Policy

Enrollment substitutions are accepted at any time prior to the beginning of a course. Cancellations are accepted without a penalty if they are made at least 35 working days prior to the starting day of the course. Cancellation or enrollments made less than 35 working days prior to a seminar, with no replacement, are charged with a cancellation. "No-show" (i.e. no previous notification to T&D) enrollments are recorded and charged against that agency or region.

## CPE Credits

Registered with the National Association of State Board of Accountancy as a sponsor of continuing professional education on the National Registry of CPE Sponsors. State boards of accountancy have final authority on the acceptance of individual courses. Complaints regarding sponsors may be addressed to NASBA, 150 Fourth Avenue North, Suite 700, Nashville, TN 37219-2417, (615) 880-4200.

## Tuition

Costs for T&D training programs range from \$220 to \$1,300 depending on the length and type of course desired.

## Lodging

Approximately four weeks prior to the start date of a course, pre-course materials are sent to the scheduled participants with a memo outlining course logistics. Hotel accommodations are arranged for all out of town participants,

## Contact

For further information please contact:

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**Advanced Compliance  
Examiner Subjects**

This seminar provides compliance specialists an opportunity to discuss and explore current compliance issues on a cross-regional basis, learn about significant regulatory changes, and ensure consistency in the overall approach to the implementation of compliance examination policy. Since the curriculum for the seminar is updated regularly, specialists may attend on a yearly basis.

*Pre-course work:* None  
*Course Length:* 3 Days  
*Intended Audience:* Post FCR  
*CPE Credits:* 25

**Advanced Examiner Topics**

Through lecture and class activities, AET covers three main topics: investment securities, sensitivity to interest rate risk, and capital management. Investment Securities provides a comprehensive review of duration, credit risk, marketability, taxation issues, and currency in global bonds and embedded options on structured notes. Sensitivity to risk reviews the consequences of entering the interest rate swap, interest rate cap, and the interest rate futures market on the thrift's net interest margin and net portfolio value. The risk/reward tradeoff of each instrument is evaluated. Capital management includes cases to discuss dividend constraints, stable and rational dividend payment, and factors applicable to a pay out ratio. Course content is updated frequently so examiners may attend more than once.

*Pre-course work:* None  
*Course Length:* 2 Days  
*Intended Audience:* Senior Level Safety & Soundness Examiners  
*CPE Credits:* 14

**Asset Securitization**

This course focuses on the asset securitization process and structure, the types of loans being securitized, the practical benefits of securitizing, and the risk and exposure to thrift institutions. Also discussed are accounting and capital issues related to securitizations.

*Pre-course work:* None  
*Course Length:* 2 ½ days  
*Intended Audience:* Senior Post FTR examination staff who routinely work with asset securitization issues  
*CPE Credits:* 21

**Commercial Business Lending**

This course covers the fundamentals of commercial lending including cash flow projection and analysis, business risk, ratio and financial statement analysis, loan structuring, basic loan documentation, and credit scoring. Case studies are used to emphasize how changes in business conditions and cash flow affect credit underwriting.

*Pre-course work:* None  
*Course Length:* 3 days  
*Intended Audience:* Post FTR, generally over 36 months experience  
*CPE Credits:* 28

**Conducting Meetings with Management**

The course provides an opportunity for examiners to practice their skills in presenting exam findings to management and the board of directors. Participants complete their presentations during the class. As the examiner presents findings, other participants play the role of management & board members to provide feedback on the presenter's organization and presentation skills. Feedback is based on the guidelines used in the oral testing process of the accreditation programs. These guidelines will be sent to the participants to use in preparing for the class. Examination managers may also be invited to attend the "meetings". Tips on handling difficult people, questions and timing concerns are also included

*Pre-Course work:* A 15 – 20 minute management meeting & a separate board meeting to be prepared prior to the class.  
*Class Time:* 2 ½ days  
*Intended Audience:* Examiners who need practice in the preparation and delivery of manager and board meetings.  
*CPE Credits:* 24

**Credit Scoring**

Credit Scoring covers the process from score pad development through account/portfolio management. Topics include basic score concepts, legal and examination issues, calibrating bureau scores, prescreening, applicant screening, and account/risk management.

*Pre-course work:* None  
*Course Length:* 2 days  
*Intended Audience:* Safety and Soundness examiners and Compliance examiners at all experience levels  
*CPE Credits:* 16

**Holding Company**

A new course for 2003, the material presented will focus on the holding company financial analysis.

*Pre-course work:* None  
*Course Length:* 2 days  
*Intended Audience:* Senior level Safety and Soundness Examiner  
*CPE Credits:* 14

## **Housing and Economic Development**

This course focuses on structured financing for small business, real estate development and affordable housing. A main emphasis is on financial analysis of community and economic development transactions. Learning to assess an institution's risk in community deals will be a part of this. During this course, participants will also learn how deals are structured and financed using funding from both the private and public sector. They will also learn how these deals are evaluated in terms of risk and return. Although the risk evaluation focus is primarily from the perspective of the financial institution, the impact and risk due to different financing structures on community development deals are also discussed

*Pre-course work:* At contractors discretion  
*Course Length:* 5 days  
*Intended Audience:* Intermediate to Senior Level Safety & Soundness Examiners  
*CPE Credits:* 40

## **Interest Rate Risk**

During this 1 ½ day course, lecture and case studies will focus on 1) regulatory guidance TB13a, 2) interest rates, structures and projections, 3) best risk management practices, & 4) internal models and complex securities.

*Pre-course work:* None  
*Course Length:* 1 ½ days  
*Intended Audience:* All levels of examinations staff or anyone who needs to understand the OTS NPV Model and IRR.  
*CPE Credits:* 12

## **Internal Controls: Deterrents to Fraud**

This course is designed to heighten awareness of the importance of adequate internal controls, identify Red Flags indicating the potential for fraud, identify internal control weaknesses, and utilize examination procedures to improve internal controls.

The course is presented through lecture and case studies. A series of 20 actual case studies will be discussed which emphasize many of the more typical types of fraud seen in banks. The cases include internal control deficiencies, fictitious loan funding, loan servicing fraud, check kiting, missing collateral, and funds diversion. "Red Flags", which are indicators of fraud, will be discussed, so that participants have a better understanding of how fraud is perpetrated.

*Pre-course work:* A pre-reading requirement to complete and bring to class.  
*Class Time:* 2 ½ days  
*Class Hours:* 14  
*Intended Audience:* Safety and Soundness Examiners with Compliance Examiners as a secondary audience.  
*CPE Credits:* 16

## **Overview of Trust Activities**

This two-day seminar is currently in revision to become an on-line training course with access through the network. It is designed to introduce the participants to fiduciary activities and risks. It will offer the participants the opportunity to explore current trust examination issues and learn about significant developments. Once access is available, scheduled VTC Q&A sessions will be offered to compliment the on-line course.

*Pre-course work:* None  
*Course Length:* On-line  
*Intended Audience:* Anyone in OTS who needs basic knowledge of fiduciary activities.

## **Retail Lending**

The course offers an in-depth review of the consumer lending process including an introduction to credit scoring, loan marketing through origination, servicing and collection practices and credit card lending. The course also offers an introduction to the asset securitization process, portfolio quality and vintage analysis.

*Pre-course work:* FFIEC Sub-Prime Lending CD  
*Course Length:* 4 days  
*Intended Audience:* Post FTR & anyone requiring a basic knowledge of retail banking products & activities

## **Risk & Capital Markets Instruments**

### **– A Modeling Approach**

Participants will learn the strengths and shortcomings of ratios, gap, rolling gap, duration gap, balance sheet modeling, and value at risk. They will review the anatomy of a balance sheet model, validating a balance sheet model, and best practices in the use of model results. This modeling approach is used as a tool in this course to provide a common thread for the discussion on the types of capital instruments and their use within financial institutions. Case studies and modeling examples are used to discuss the techniques necessary to evaluate the appropriateness of these instruments.

As available, a round table discussion with an OTS Capital Markets Specialist will be incorporated into the course.

*Pre-course work:* 4 hours of reading  
*Course Length:* 3 days  
*Intended Audience:* Experienced Examiners

## Accreditation Course Offerings

**This series of accredited courses is primarily intended for those pursuing an FTR, FCR or FISR designation. However, enrollment is open to anyone demonstrating a need to attend. All participants are expected to attend the full course, including the test.**

### **New Examiner Orientation**

Through lecture and class activities the new examiners will better understand what their job will deal with through the examination process. There will be three days full of exercises and lectures on topics that will cover team building, the regulatory framework, and human resource issues. Experienced OTS staff will provide an overview of the industry, available reports, asset quality, capital, sensitivity and liquidity, laws and regulations. Participants will look at the personal aspects of the examination and unsatisfactory exam findings. This course is full of information that each new examiner will need to understand their role in the industry.

*Pre-course work:* None  
*Course Length:* 3 days  
*Intended Audience:* New Examiners  
*CPE Credits:* 25

### **New Thrift Regulator Training School**

NTRS is intended to provide participants with a basic technical knowledge of the safety and soundness examination process. The first week of the course is devoted to financial related topics such as financial operations analysis, liquidity, investments, capital, and interest rate risk. The second week covers the basics of credit underwriting and analysis.

*Pre-course work:* 24 hours  
*Course Length:* 10 days  
*Intended Audience:* All new examiners with approximately  
6 months of field experience  
*Test:* 2 separate tests  
*CPE Credits:* 80

### **Technology Risk Controls**

This course is designed to prepare Safety and Soundness Examiners to evaluate the adequacy of an institution's information systems and technology infrastructure. This program will discuss analytical procedures to determine if an institution's planning, policies, and procedures for deployment and operation of various technology systems, and audit processes are adequate to ensure a safe, sound, and secure information technology infrastructure.

*Pre-course work:* None  
*Course Length:* 2 ½ days  
*Intended Audience:* All new examiners at 15 months experience  
*CPE Credits:* 21

## **Loan School (FDIC)**

Held jointly with the FDIC, in the first week participants are given the fundamental analytical techniques for reviewing all types of real estate, commercial, and retail loans. The second week is devoted to loan portfolio analysis, the asset classification process, and methods to assess the adequacy of loan loss reviews.

*Pre-course work:* 50 hours  
*Course Length:* 4 ½ days  
*Intended Audience:* Examiners at 12 – 15 months of experience  
*Test:* Yes

## **Asset Liability and Risk Management School**

The principle objectives of the one-week course includes: 1) illustrate the dynamic, interrelationships between each CAMELS area in a thrift institution, and 2) highlight the risk management process with a focus on measuring and controlling financial and credit risk. The school promotes active learning; material is initially presented by lecture, example, and small problems. A computer simulation of a banking institution subsequently reinforces key concepts. The simulation, *BankSim* requires examiners to make financial, credit, marketing, and managerial decisions within a bank. The simulation bank, which is managed by a small group of OTS examiners, competes against other institutions in a variety of business cycles.

*Pre-course work:* 24 – 30 hours  
*Post course work:* 4 – 6 hours  
*Course Length:* 4 ½ days  
*Intended Audience:* Examiners at 18 – 30 months experience  
*TEST:* Yes  
*CPE Credits:* 40

## **Compliance School I**

Participants will address the purpose of the compliance regulations, examination procedures, and other regulatory concerns covered in the OTS Compliance Activities Regulatory Handbook. Major emphasis is on the areas of administration, fair lending, consumer laws and regulations, compliance laws and regulations, and the Community Reinvestment Act. This course is held jointly with the FDIC.

*Pre-Course Work:* None  
*Course Length:* 9 ½ days  
*Intended Audience:* FCR candidates with three to six months of on-the-job training  
*Test:* Yes  
*CPE Credits:* 78

## **Compliance School II**

Participants will cover advanced compliance topics such as BSA, CRA, fair lending, and complicated Regulation Z disclosures. Participants learn how to rate a thrift's CRA and compliance management-performance, and manage a compliance examination.

*Pre-course work:* None  
*Course Length:* 5 days  
*Intended Audience:* FCR candidates at 15-18 months  
after completion of Comp I school  
*Test:* Yes  
*CPE Credits:* 39

## **Certified Information Systems Auditor Test**

Consists of 200 multiple-choice questions, administered during a four-hour session. The purpose is to test the examiner's understanding of generally accepted IS audit standards, statements, and practices and IS security.

**Required as part of the FITR accreditation program.**

## **Certified Regulatory Compliance Manager**

The CRCM certification exam test knowledge and understanding in regulatory requirements, compliance enforcement, penalties, and administrative practices. It further tests management skills in implementing action plans and monitoring compliance.

**Required as part of the FCR accreditation program**